

Organizations that are exclusively religious, educational, or charitable can make application to the Department for exemption identification numbers required to make tax-free purchases of tangible personal property for use or consumption. See 86 ILL. Adm. Code 130.2007. (This is a GIL).

August 22, 2001

Dear Xxxxx:

This letter is in response to your identical letters that we received on May 23 and June 19, 2001. The nature of your letter and the information you have provided require that we respond with a General Information Letter, which is designed to provide general information, is not a statement of Department policy and is not binding on the Department. See 2 Ill. Adm. Code 1200.120(b) and (c), which can be accessed at the Department's Website at <http://www.revenue.state.il.us/legalinformation/regs/part1200>.

In your letter, you have stated and made inquiry as follows:

Our letter is in regard to the taxability of a program we are thinking about joining. The program is called ORGANIZATION/NAME. The program is donation only suggested at 2.00 to 2.50. The money is put in a box by the customer with a sign up sheet to sign. We have no idea how much money is in the box as it is picked up every Monday. My part is to fill out paper work according to meals served, fill out a menu for their approval, and of course cook the meals. ORGANIZATION tells what days to do the cooking usually Mon thru Friday. There also is a delivery for people who can not get out. ORGANIZATION signs up the delivery people, pay the delivery person, and furnish the containers. After all is said and done I am payed 4.00 a meal. The ORGANIZATION is a tax exempt program. Could you please help us with the taxable portion of this if any.

The Illinois Department of Revenue has issued tax exemption identification number ### to the ORGANIZATION, the organization referenced in your letter. This number establishes that the Department recognizes this organization as being organized and operated exclusively for charitable purposes.

As a result, it is exempt from incurring Use Tax when purchasing tangible personal property in furtherance of its organizational purposes. This means that you, as a vendor, do not incur Retailers' Occupation Tax (sales tax) on your gross receipts from sales of tangible personal property, such as meals, when such an organization presents their E number for purchases in furtherance of their organizational purposes.

I hope this information is helpful. The Department of Revenue maintains a Web site, which can be accessed at www.revenue.state.il.us. If you have further questions related to the Illinois sales tax laws, please contact the Department's Taxpayer Information Division at (217) 782-3336.

If you are not under audit and you wish to obtain a binding Private Letter Ruling regarding your factual situation, please submit all of the information set out in items 1 through 8 of Section 1200.110(b).

Very truly yours,

Karl W. Betz
Associate Counsel

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